Contents herein have not been adopted by the Task Force.

PUBLIC PERCEPTIONS AND EXPERIENCES WITH MANAGED CARE

FINDINGS

I. INTRODUCTION

The Managed Health Care Improvement Task Force was charged with researching and reporting on the state of managed care in California today and formulating recommendations for the future. To successfully meet this mandate, the Task Force recognized that it must not only solicit the views of health policy experts, but also those of all California consumers. The testimony we received through our public hearings provided invaluable first-hand information for us to consider, but it was not based on a random or representative sample. In addition to what we were able to learn in our hearings and from reading the literature about the state of managed care, we wanted to explore these issues from the perspective of the overall California population. Therefore, we commissioned a statistically valid survey of insured, adult Californians, building on prior studies and the testimony we heard, to enable us to gain a more comprehensive view of the experience of the full spectrum of the public.

II. SURVEY GOALS AND OBJECTIVES

The Task Force commissioned this survey to provide Task Force members with data to help inform their deliberations and recommendations regarding California's managed health care system. Among other objectives, the survey is intended to document the extent and nature of difficulties Californians report having with their health insurance plan in the last year, to assess the differences in the types of problems Californians experience with different types of managed care models, and to assess Californians' views on key policy issues. To gain a more thorough understanding of problems in the current health care system and the concerns of those consumers who are most in need of health care services, we oversampled two populations: 1) Californians who reported having a problem with their health insurance plan in the previous 12 months and 2) Californians who had been hospitalized in the previous 12 months and/or who have a serious or chronic illness.

For an overview of results from other surveys on similar topics, please refer to Appendix A: Literature Review.

III. SURVEY DESIGN AND METHODOLOGY

A. Design Advisors and Funding

Chairman Enthoven, Vice-Chairman Kerr, and an advisory group of Task Force members worked closely with staff and outside experts in the design and question development of the survey instrument. Helen Schauffler, Ph.D., Associate Professor at the University of California, Berkeley, School of Public Health, served as the project's Principal Investigator. Dr. Schauffler coordinated the technical design of the survey instrument and conducted the analysis of the data with assistance from Task Force staff. A distinguished group of outside experts lent varying levels of technical assistance (and in many cases, the use of components of surveys they had already completed):

Linda Bergthold, The Lewin Group;
Robert Blendon, Harvard University;
Susan Edgeman-Levitan, Picker Institute;
David Hopkins, Pacific Business Group on Health;
Lee Kemper, California Center for Health Improvement;
Hal Luft, University of California, San Francisco, Medical School;
Arnie Milstein, William M. Mercer, Inc. and The Pacific Business Group on Health; and
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The survey was funded by generous grants from the California Healthcare Foundation, the Institute for Health Care Advancement, California's Department of Corporations (DOC), and the Office of Statewide Health Planning and Development (OSHPD) with funding from the Robert Wood Johnson Foundation.

B. Survey Instrument

To the extent possible, the survey built on instruments that were already tested and available to create a comprehensive survey instrument tailored for the specific needs of the Managed Health Care Improvement Task Force. We relied on instruments developed by Robert Blendon; the 1995 "Health Care in California" *L.A. Times* poll; the Pacific Business Group on Health (PBGH) Health Plan Value Check; the Center for Health Care Rights poll developed by the Lewin Group; the Consumer Assessment of Health Plans Survey (CAHPS), developed primarily for the Agency For Health Care Policy and Research by RAND, Harvard University, the Research Triangle Institute, and the Picker Institute; and the suggestions of the advisory group.

C. Methodology

Field Research Corporation, under the direction of Mark DiCamillo, conducted the survey interviews using random digit dialing and a Computer Assisted Telephone Interview (CATI) system. Each interview was approximately 25 minutes in length. Interviews were conducted in both English and Spanish.

The survey instrument included screening questions to obtain interviews from three distinct samples:

1. General Insured Sample. This randomly drawn sample included 1,201 insured, adult Californians who have resided in the state 12 months or longer. To be included in the sample, the respondents had to be insured through at least one of the following sources: their own or their spouse's employer, labor union, or trade association; individually-purchased coverage; Medicare; or Medi-Cal. Individuals whose primary source of health coverage was a military program (such as the CHAMPUS or VA programs), the Indian Health Service, or other source, were excluded. Respondents also had to be at least 18 years of age and had to have lived in California for at least one year. These interviews were conducted between September 2 and September 24, 1997.

This sample represents approximately 16 million insured, adult Californians who have lived in the state 12 months or longer.

2. Sample of Dissatisfaction/Problems. This randomly drawn sample included 1,373 insured adult Californians (as defined in Sample 1, above) who stated that they were "dissatisfied" or "very dissatisfied" with their current health insurance plan and/or who had one or more problems with their health insurance plan in the prior 12 months. Approximately 500 respondents included in this sample are also included in the general insured sample. An additional oversample was drawn to reach the total of 1,373. These interviews were conducted between September 25 and October 19, 1997.

This sample represents approximately 6.72 million insured, adult Californians who have lived in the state 12 months or longer.

3. Sample of Persons with Serious/Chronic Illness. This randomly drawn sample included 1,227 insured, adult Californians (as defined in Sample 1, above) who had been hospitalized in the prior 12 months and/or who had at least one of the following chronic or serious conditions: hypertension, heart disease, diabetes, cancer, asthma, emphysema, chronic bronchitis, migraine, HIV/AIDS, severe arthritis, treatment for depression in the prior 12 months, or suffered a heart attack in the prior 12 months. Approximately 140 respondents included in this sample are also included in the general insured sample. An additional oversample was drawn to reach the total of 1,227. These interviews were conducted between October 20 and December 3, 1997. Due to time constraints, limited information from the third sample is included in this report.

Note: Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in

employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity. *Therefore, this report presents no findings comparing managed care and unmanaged indemnity care.*

IV. FINDINGS

A. Californians' Views of Their Health Insurance Plans and California's Health Care System

The majority of Californians are both satisfied with their current health plan (76%)[1] and with California's health care system as it affects their families (62%).[2] While their personal experiences have been generally satisfying, the majority of Californians are concerned about the health care system overall.[3] They believe that California's health care system either needs to be fundamentally changed (43%) or completely rebuilt (11%) to make it work better. A total of 84% of insured Californians believe that at least minor changes are needed to make California's health care system work better. Those Californians who stated a stronger desire for system change were more likely to report having had a problem with their health insurance plan in the previous 12 months.

Overall, Californians in IPA/Network model HMOs are significantly less likely to be very satisfied and significantly more likely to be very dissatisfied compared to those in Group/Staff model HMOs. Californians in IPA/Network model HMOs are also significantly more likely to be very dissatisfied compared to those in PPOs.[4]

B. Problems Californians Report with Their Health Insurance Plan

Overall, 42% of Californians (approximately 6.72 million people) report having had one or more problems with their health insurance plan in the previous 12 months. The severity of those problems varies considerably. Approximately one in four Californians who are "very satisfied" with their current health insurance plan report having had a problem with their plan, therefore having a problem should not necessarily be interpreted as having a serious grievance. Among other characteristics, Californians who report having had a problem with their plan in the last year are more likely to be dissatisfied with their plan's concern for their health, dissatisfied with the choice of physicians in their plan, dissatisfied with the process of getting a referral to a specialist, dissatisfied with the preventive care provided by their plan, to have postponed or not gotten needed medical care because of cost, to have been a member of their plan from 2 to 5 years, and to be in good, fair, or poor health (i.e., not in excellent or very good health).

The probability of reporting having had a problem with one's health plan in the last year does not vary by any of the following characteristics: education, income, employment status, size of the firm providing coverage for its employees, household size, geographic area of the state (urban/suburban/rural), having been hospitalized, or smoking status.

Those Californians who reported having had more than one problem with their health insurance plan in the last year were asked to identify which one was the "biggest problem". Overall, these primary problems fell into five categories: problems with care or services (32% of insured Californians who reported a problem identified a problem from this category as their biggest problem); benefits or coverage (21%); choice (16%); claims or payment (14%); and accessibility (7%).

C. Problems by Type of Managed Care Plan[5]

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[1] The question read, "Overall, how satisfied are you with your current health insurance plan?"

[2] The question read, "How satisfied are you with the overall health care system in California as it affects you and your family?"

[3] The question read, "Which of the following statements best describes your overall view of the health care system in California?"

[4] Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity. *Therefore, this report presents no findings comparing managed care and unmanaged indemnity care.*

[5] Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health

1. *Comparison of Problems Reported across Health Insurance Plan Model Types.* The types and prevalence of specific problems Californians report having with their health insurance plan in the last year vary significantly by type of managed care plan model (IPA/Network model HMO, Staff/Group model HMO, and PPO). Overall, Californians in IPA/Network model HMOs are significantly more likely to report having had a problem with their plan in the last year than those in either PPOs or Staff/Group model HMOs. In addition, Californians in PPOs are significantly more likely to report having had a problem than those in Staff/Group model HMOs.

- **Care/Services:** Californians in IPA/Network model HMOs are significantly more likely to report difficulties with referrals to specialists, compared to those in Staff/Group model HMOs and PPOs. Californians in IPA/Network model HMOs are also significantly more likely to report a problem with not getting the most appropriate care or what was needed, compared to those in PPOs.
- **Benefits/Coverage:** Californians covered by IPA/Network model HMOs and PPOs, compared to those in Staff/Group model HMOs, are significantly more likely to report problems with services they needed not being covered or misunderstandings over benefits or coverage.
- **Choice:** Californians in IPA/Network model HMOs are significantly more likely to report having difficulty selecting a doctor or hospital, compared to those in Staff/Group Model HMOs and PPOs. Californians in IPA/Network model HMOs are also significantly more likely to be forced to change doctors, compared to those in PPOs.
- **Claims/Payment:** Californians in IPA/Network model HMOs and PPOs are significantly more likely to report a problem with billing or payment of claims or premiums with their health insurance plan in the last year, compared to those in Staff/Group model HMOs.
- **Accessibility:** Californians in IPA/Network and Staff/Group model HMOs are significantly more likely to report a transportation problem with their health insurance plan in the last year, compared to those in PPOs.

2. *Comparison of Primary Problem Reported across Health Insurance Plan Model Types.* Survey respondents who reported having had at least one problem with their health plan in the prior 12 months were asked to identify the single biggest problem they experienced. These primary problems vary significantly by type of managed care plan model.

- **Care/Services:** Californians in Staff/Group model HMOs are significantly more likely to report as their primary problem insensitivity of health professionals and not receiving the most appropriate medical care, compared to those in IPA/Network model HMOs and PPOs. They are also significantly more likely to report as their primary problem delays in getting needed care, compared to those in PPOs. Californians in IPA/Network model HMOs are significantly more likely to report as their primary problem difficulties with referrals to specialists, compared to those in Staff/Group model HMOs and PPOs. They are also significantly more likely to report as their primary problem delays in getting needed care, compared to those in PPOs.
- **Benefits/Coverage:** Californians in PPOs are significantly more likely to report as their primary problem their plan not covering important benefits and misunderstandings over benefits or coverage, compared to those in IPA/Network or Staff/Group model HMOs. Californians in IPA/Network model HMOs are also significantly more likely than those in Staff/Group model HMOs to report as their primary problem their plan not covering important benefits.
- **Choice:** Californians in both Staff/Group and IPA/Network model HMOs are significantly more likely to report as their primary problem being forced to change doctors, compared to those in PPOs.

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insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity. *Therefore, this report presents no findings comparing managed care and unmanaged indemnity care.*

- **Claims/Payment:** Californians in PPOs are significantly more likely to report as their primary problem difficulties with billing or payment of claims or premiums, compared to those in IPA/Network or Staff/Group model HMOs. Californians in IPA/Network model HMOs are also significantly more likely to report this as their primary problem, compared to those in Staff/Group model HMOs.
- **Accessibility:** There are no significant differences in primary problems across managed care plan types for this category.

D. Resolution of Problems

1. *Attempts to Resolve Problems.* Of those Californians who reported having a problem with their health insurance plan in the last year, 57% (approximately 3.8 million Californians) have tried to resolve their problem. Californians are most likely to seek resolution for problems involving difficulties with billing or payment or claims or premiums (81%) and misunderstandings over benefits or coverage (76%). In their attempts to resolve their problems, Californians are most likely to contact their physician, other health care provider, or health plan for information or assistance, or to refer to their health insurance plan documents for information. In addition, 4% of those who reported having had a problem with their health insurance plan in the last year (approximately 269,000 Californians) reported contacting a state or local agency and 3% (approximately 202,000 Californians) reported contacting an elected official about their problem.

2. *Resolution of Problems.* Of those Californians who reported having a problem with their health insurance plan in the last year, 52% reported that their problem had been resolved and 42% reported that their problem had not been resolved. The problems that are significantly more likely to be resolved are problems with being forced to change doctors (71% resolved), problems with billing or payment of claims or premiums (53% resolved), and problems with not getting the most appropriate care or what was needed (53% resolved). The problems that are significantly less likely to be resolved are problems with the health insurance plan denying care or treatment (40% resolved) and not covering important benefits needed (38% resolved).

3. *Satisfaction with the Resolution and Handling of Problems.* Of those Californians whose problems were resolved, 6% stated that the resolution exceeded their expectations and 43% stated that the problem was resolved satisfactorily. An additional 35% were not completely satisfied with the resolution and 13% were not at all satisfied with how it was resolved. Regarding how their health insurance plan handled their complaints, 29% of Californians who reported a problem with their health insurance plan in the last year were either dissatisfied (18%) or very dissatisfied (11%).

E. Impact of Problems

1. *Financial Impacts.* Of those Californians who reported having had a problem with their health insurance plan in the last year, 27% (approximately 1.8 million Californians) had an associated financial loss. Of those whose problem involved financial loss, 33% (approximately 599,000 Californians) lost in excess of $500. The problems that are significantly more likely to involve financial loss are problems with the plan not covering important benefits, misunderstandings over health care benefits or coverage, being denied care or treatment, or problems with billing or payment of claims or premiums.

2. *Lost Time from Work.* Of those Californians who reported having had a problem with their health insurance plan in the last year, 20% (approximately 1.3 million Californians) report that they lost time from work due to the problem. Of those, 27% (approximately 350,000 Californians) report that they lost more than five days of work. The problems that are more likely to be associated with lost time from work are problems with being denied care or treatment (38% report lost time from work), delays in getting needed care (35% report lost time from work), and not receiving the most appropriate medical care or what was needed (34% report lost time from work).

3. *Health Impacts.* Of those Californians who reported having had a problem with their health insurance plan in the last year, 32% (approximately 2 million Californians) reported that their problem caused them to experience pain and

suffering that continued longer than it should have. In addition, 22% (approximately 1.4 million Californians) reported that the difficulty led to the worsening of their health condition and 6% (approximately 400,000 Californians) reported that it led to permanent disability and affected their daily living activities.[6]

Problems that are significantly more likely to lead to increased pain and suffering, other conditions not previously present, the worsening of the person's health condition, and permanent disability include problems with being denied care or treatment, not receiving the most appropriate medical care or what was needed, delays in getting needed care, and difficulties in getting a referral to a specialist.

F. Choice of Health Insurance Plan

Over 80% of Californians stated that having the choice of more than one plan was important (27%) or very important (54%) to them. However, 23% said that they had no choice of plans. Californians with the choice of at least three plans (49% of insured, adult Californians) were statistically significantly less likely to report having had a problem with their health insurance plan in the last year, compared to those with the choice of only one or two plans (48% versus 41%; the population mean was 42%).

70% of insured, adult Californians favor the idea of giving all employees a choice of health insurance plans, with at least one plan allowing employees to choose any doctor they want. Under this proposal as described in the interviews, employers would not be required to make any additional payments, but employees would pay some additional money for insurance that allows them to choose any doctor they want. The median additional amount respondents were willing to pay for this option (of the 68% who specified an amount above zero) was between $11 and $25 per month. Depending on the structure of such a plan (e.g., the size of the deductible and co-pay), this amount may be insufficient to cover the additional cost of the option.

G. Californians' Views on Key Policy Issues

1. *Direct Access to Specialists.* 44% of insured, adult Californians would be willing to pay an additional fee out of their own pocket each time they went to see a specialist, if they could go to the specialist without first having to get approval or a referral from their own personal doctor or health insurance plan. 37% of insured Californians would be willing to pay $10 or more and 15% would be willing to pay more than $20 each time they went to see a specialist without prior authorization.

2. *Physician Incentives Not to Refer to Specialists.* 53% of insured, adult Californians think that health insurance plans in California should not be allowed to lower their payment to doctors if the plan or the medical group believes the doctor makes too many referrals to specialists.

3. *Who Consumers Trust to Provide Information.* 64% of insured, adult Californians stated that they would trust a private, not-for-profit agency the most to provide consumers with neutral and complete information about specific health insurance plans, hospitals and doctors in California. 13% would trust a state government agency to provide such information.

H. Experiences of Californians Who Have a Chronic Condition and/or Have Been Hospitalized in the Last Year

1. *Satisfaction with Their Health Insurance Plan.* As with the general insured population, the majority of Californians who have a chronic condition and/or have been hospitalized in the last year are satisfied with their current health insurance plan (81%). This group and the population of insured Californians who have both a chronic

[6] The exact question read, "Please tell me whether any of the following did or did not apply to [your problem]: (a) There was the potential for injury, but no injury actually occurred. (b) I experienced pain and suffering that continued longer than it should have. (c) The difficulty led to other conditions not previously present. (d) The difficulty led to the worsening of my health condition. [Asked only of those who answered "yes" to (d)] the difficulty led to permanent disability and affected my daily living activities." Respondents did not have the option to indicate that there was no potential for injury.

condition and have been hospitalized in the last year are significantly more likely to report being very satisfied with their plan, compared to the general insured population. These two groups are also significantly less likely to be neutral about their plan. The level of dissatisfaction is approximately equal across all groups.

2. *Problems Seriously/Chronically Ill Californians Report with Their Health Insurance Plan in the Last Year.* Overall, the proportion of adult, insured Californians who have a chronic condition and/or have been hospitalized in the last year who reported having a problem with their health insurance plan in the last year (46%) is not statistically different from the general insured population (42%). However, two subgroups are significantly more likely to report having had a problem with their health insurance plan in the last year, compared to the general insured population: 1) those who have both a chronic condition and have been hospitalized in the last year (53%) and 2) those who have been hospitalized but have no chronic condition (55%).

The seriously/chronically ill population and all of its major subgroups are significantly more likely to report having had problems with being denied care or treatment in the last year. Otherwise, the likelihood of reporting specific problems varies across subgroups. Those who have a chronic condition, regardless of whether or not they have been hospitalized, are significantly more likely to report being forced to change medications and having transportation problems. Those who have both a chronic condition and have been hospitalized in the last year are significantly more likely to report problems with health professionals being insensitive or not helpful. Those who were hospitalized in the last year but have no chronic condition are significantly more likely to report having a problem with billing or payment of claims or premiums.

3. *Primary Problems Reported by Seriously/Chronically Ill Californians.* As with the general insured population, Californians with a serious/chronic illness who reported having had more than one problem with their health insurance plan in the last year were asked to identify a single biggest problem. There were statistically significant differences for those insured Californians who have both a chronic condition and have been hospitalized in the last year. Compared to the general insured population, those Californians are significantly more likely to report having transportation problems, insensitive or unhelpful health professionals, not receiving the most appropriate medical care, being forced to change medications, and being denied care or treatment. They were also significantly less likely to report their plan not covering important benefits and difficulties getting a referral to a specialist.

4. *Problems Reported by Seriously/Chronically Ill Californians, by Type of Managed Care Plan.* As with the general insured population, Californians who have a chronic condition and/or have been hospitalized in the last year who are in IPA/Network model HMOs are significantly more likely to report having had a problem with their health insurance plan in the last year (53%) than those in Staff/Group model HMOs (39%). There is no statistically significant difference for those in PPOs. The prevalence of specific problems varies by managed care model type.

- **Care/Services:** Seriously/chronically ill Californians in IPA/Network model HMOs are significantly more likely to report experiencing delays in getting needed care and difficulty with getting a referral to a specialist, compared to those in PPOs.
- **Benefits/Coverage:** Seriously/chronically ill Californians in PPOs are significantly more likely to report a problem with their plan not covering important benefits and misunderstandings over benefits or coverage, compared to those in Staff/Group model HMOs. Those in IPA/Network model HMOs are also significantly more likely than those in Staff/Group model HMOs to report having had misunderstandings over benefits or coverage.
- **Choice:** Seriously/chronically ill Californians in IPA/Network model HMOs are significantly more likely to report having had a problem with being forced to change doctors, compared to those in Staff/Group model HMOs and PPOs.
- **Claims/Payment:** Seriously/chronically ill Californians in PPOs and IPA/Network model HMOs are significantly more likely to report having had a problem with billing or payment of claims or premiums, compared to those in Staff/Group model HMOs.
- **Accessibility:** There are no significant differences in primary problems across managed care plan types for this category.

5. *Experiences Related to Hospitalization.* Of those insured Californians who were hospitalized in the past year, 67% reported that they were discharged at about the right time. However, 23% reported that they had been discharged either much sooner (9%) or a little sooner (14%) than they should have been[7].In addition, 21% of those hospitalized stated that they needed extra help at home, such as nursing care or help with their medications, after they left the hospital. Of that 21%, 27% reported that they did not get the help they needed[8].

[7] The question read, "In the past 12 months, have you been an (overnight) patient in a hospital for at least one day or longer? (If "Yes") Thinking about your most recent hospital stay, would you say that you were discharged from the hospital much sooner than you should have been, a little sooner than you should have been, at about the right time, a little later than you should have been, or much later than you should have been?"

[8] The question read, "After you left the hospital (on this last stay), did you need any extra help at home, which you could not get from family or friends, such as nursing care or help with your medications? (If "Yes") Did you get the help you needed or not?"

PUBLIC PERCEPTIONS AND EXPERIENCES WITH MANAGED CARE

BACKGROUND PAPER

I. INTRODUCTION

The Managed Health Care Improvement Task Force was charged with researching and reporting on the state of managed care in California today and formulating recommendations for the future. To successfully meet this mandate, the Task Force recognized that it must not only solicit the views of health policy experts, but also those of all California consumers. The testimony we received through our public hearings provided invaluable first-hand information for us to consider, but it was not based on a random or representative sample. In addition to what we were able to learn in our hearings and from reading the literature about the state of managed care, we wanted to explore these issues from the perspective of the overall California population. Therefore, we commissioned a statistically valid survey of insured, adult Californians, building on prior studies and the testimony we heard, to enable us to gain a more comprehensive view of the experience of the full spectrum of the public.

II. SURVEY GOALS AND OBJECTIVES

The Task Force commissioned this survey to provide Task Force members with data to help inform their deliberations and recommendations regarding California's managed health care system.

Among the objectives that were considered in designing the survey were:

- To document the extent to which Californians are satisfied with and report having experienced problems with their health plan in the last year;
- To document the types of problems Californians have experienced with their health plans in the last year;
- To assess the differences in the types of problems Californians have experienced in the last year by managed care model type;
- To assess the severity of the problems Californians have experienced, measured in terms of their impact financially, on days lost from work, and on health status;
- To understand how Californians try to resolve their problems with their health plan, how successful they have been in getting them resolved, and their satisfaction with their plan's grievance process;
- To assess the importance and availability of health plan choice for Californians; and
- To assess Californians' views on key policy issues.

To gain a more thorough understanding of problems in the current health care system and the concerns of those consumers who are most in need of health care services, we oversampled two populations: 1) Californians who reported having a problem with their health insurance plan in the previous 12 months and 2) Californians who had been hospitalized in the previous 12 months and/or who have a serious or chronic illness.

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The final survey instrument included questions from the following categories:

- Health Insurance Coverage/Plan Characteristics
- Personal Doctor/Health Plan Physicians
- Specialist Care
- Hospital Care
- Problems with Health Insurance/Health Plan (Type and Severity)
- Grievance Process and Problem Resolution
- Satisfaction with Health Insurance/Health Plan
- Public Opinions on Policy Options
- Respondent Health Status and Demographics

C. Methodology

Field Research Corporation, under the direction of Mark DiCamillo, conducted the survey interviews using random digit dialing and a Computer Assisted Telephone Interview (CATI) system. Each interview was approximately 25 minutes in length. Interviews were conducted in both English and Spanish.

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This sample represents approximately 16 million insured, adult Californians who have lived in the state 12 months or longer.

2. Sample of Dissatisfaction/Problems. This randomly drawn sample included 1,373 insured adult Californians (as defined in Sample 1, above) who stated that they were "dissatisfied" or "very dissatisfied" with their current health insurance plan and/or who had one or more problems with their health insurance plan in the prior 12 months. Approximately 500 respondents included in this sample are also included in the general insured sample. An additional oversample was drawn to reach the total of 1,373. These interviews were conducted between September 25 and October 19, 1997.

This sample represents approximately 6.72 million insured, adult Californians who have lived in the state 12 months or longer.

3. Sample of Persons with Serious/Chronic Illness. This randomly drawn sample included 1,227 insured, adult Californians (as defined in Sample 1, above) who had been hospitalized in the prior 12 months and/or who had at least one of the following chronic or serious conditions: hypertension, heart disease, diabetes, cancer, asthma, emphysema, chronic bronchitis, migraine, HIV/AIDS, severe arthritis, treatment for depression in the prior 12 months, or suffered a heart attack in the prior 12 months. Approximately 140 respondents included in this sample are also included in the general insured sample. An additional oversample was drawn to reach the total of 1,227. These interviews were conducted between October 20 and December 3, 1997. Due to time constraints, limited information from the third sample is included in this report.

Note: Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity.*Therefore, this report presents no findings comparing managed care and unmanaged indemnity care.*

IV. FINDINGS

A. Californians' Views of Their Health Insurance Plans and California's Health Care System

The majority of insured Californians are satisfied with their current health plan and with California's health care system as it affects their families (Table 1). In general, Californians are more likely to be very satisfied with their health plan (33%) than with California's health care system as it affects their family (17%). In addition, Californians are less likely to be dissatisfied or very dissatisfied with their health plan (10%) than with the health care system as it affects their family (19%).

While their personal experiences have been generally satisfying, the majority of Californians are concerned about the health care system overall: they believe that California's health care system either needs to be fundamentally changed (43%) or completely rebuilt (11%) to make it work better. A total of 84% of insured Californians believe that at least minor changes are needed to make California's health care system work better. Those Californians who stated a stronger desire for system change were more likely to report having had a problem with their health insurance plan in the previous 12 months. (Table 2)

Overall, Californians in IPA/Network model HMOs are significantly less likely to be very satisfied and significantly more likely to be very dissatisfied compared to those in Staff/Group model HMOs. Californians in IPA/Network model HMOs are also significantly more likely to be very dissatisfied compared to those in PPOs.[9] (Table 3)

[9] Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity.*Therefore, this report presents no findings comparing*

Table 1: Californians' Satisfaction with Their Current Health Plan and with California's Health System as It Affects Their Families.[10]

	Satisfaction with Health Plan[11] **(n=1,201)**	**Satisfaction with Health System as It Affects Family**[12] **(n=1,201)**
Very satisfied	33%	17%
Satisfied	43%	44%
Neither satisfied nor dissatisfied	11%	15%
Dissatisfied	7%	13%
Very dissatisfied	3%	6%
Not sure	3%	4%

Table 2: Californians' Characterization of Change Needed in California's Health Care System.[13]

	General Insured Population (n=1,201)	**% Who Report Having Had a Problem with Their Health Plan in the Last Year** (n based on column to left)
It works well and no changes are needed.	9%	18%
It works pretty well and only minor changes are needed to make it work better.	30%	32%
There are some good things about it, but fundamental changes are needed to make it work better.	43%	52%
It has so much wrong with it that we need to completely rebuild it.	11%	60%
Don't know	7%	28%

managed care and unmanaged indemnity care.

[10] Due to rounding error, numbers may not add to 100%

[11] The question read, "Overall, how satisfied are you with your current health insurance plan?"

[12] The question read, "How satisfied are you with the overall health care system in California as it affects you and your family?"

[13] The question read, "Which of the following statements best describes your overall view of the health care system in California?"

Table 3: Californians' Satisfaction with Their Health Insurance Plan, by Type of Managed Care Plan.[14]

Overall Satisfaction with Health Plan	Staff/Group HMO (n=243)	IPA/Network HMO (n=605)	PPO (n=166)
Very Satisfied	**44%****	**(29%)**	39%
Satisfied	39%	46%	35%
Neither Satisfied nor dissatisfied	8%	13%	17%
Dissatisfied	7%	7%	7%
Very Dissatisfied	**(<1%)**	**4%****	**(1%)**
Don't know	2%	2%	2%

**** = statistically significantly higher; ( ) = statistically significantly lower**

B. Problems Californians Report with Their Health Insurance Plan

Overall, 42% of Californians (approximately 6.72 million people) report having had one or more problems with their health insurance plan in the previous 12 months (Table 4). The severity of those problems varies considerably. Among the most frequently cited problems was that the plan did not cover important benefits the respondent needed. Benefits coverage is largely determined by purchasers (i.e., government and employers) and by state regulation rather than health insurance plans.

Approximately one in four Californians who are "very satisfied" with their current health insurance plan report having had a problem with their plan (Table 5), therefore having a problem should not necessarily be interpreted as having a serious grievance. Among other characteristics, Californians who report having had a problem with their plan in the last year are more likely to be dissatisfied with their plan's concern for their health, dissatisfied with the choice of physicians in their plan, dissatisfied with the process of getting a referral to a specialist, dissatisfied with the preventive care provided by their plan, to have postponed or not gotten needed medical care because of cost, to have been a member of their plan from 2 to 5 years, and to be in good, fair, or poor health (i.e., not in excellent or very good health). (Table 6)

The probability of reporting having had a problem with one's health plan in the last year does not vary by any of the following characteristics: education, income, employment status, size of the firm providing coverage for its employees, household size, geographic area of the state (urban/suburban/rural), having been hospitalized, or smoking status.

Those Californians who reported having had more than one problem with their health insurance plan in the last year were asked to identify which one was the "biggest problem". Overall, these primary problems fell into five categories: problems with care or services (32% of insured Californians who reported a problem identified a problem from this category as their biggest problem); benefits or coverage (21%); choice (16%); claims or payment (14%); and accessibility (7%). (Table 4)

[14] Due to rounding error, numbers may not add to 100%

Table 4: Problems Californians Report Having with Their Health Insurance Plan in the Last Year.[15]

	Prevalence in General Insured Population (more than one answer possible)[16] **(n=1,201)**	**Primary Problem** (for those reporting a problem) **(n=1,373)**
Care/Services:		**32% total**
Not receiving the most appropriate medical care or what you needed	11%	6%
Doctors/nurses/administrators/staff insensitive or not helpful	11%	10%
Delays in getting needed care	10%	8%
Difficulty in getting a referral to a specialist	10%	8%
Benefits/Coverage:		**21% total**
Plan not covering important benefits needed	13%	13%
Misunderstandings over benefits or coverage	10%	6%
Being denied care or treatment	3%	2%
Choice:		**16% total**
Difficulty selecting a doctor or hospital	8%	5%
Forced to change doctors	7%	7%
Forced to change medications	4%	4%
Claims/Payment:		**14% total**
A problem with billing or payment of claims or premiums	13%	14%
Accessibility:		**7% total**
Language or communication problem	5%	3%
Transportation problems	4%	4%
Did not report one primary problem		7%
Total		100%

[15] The exact questions read, "In the past 12 months, have you had any problems or difficulties with your health insurance plan for any of the following reasons: (Do not include problems associated with routine vision care or dental care.) Misunderstandings over health care benefits or coverage; your plan not covering some important benefits you needed; delays in getting needed care; difficulty with selecting a doctor or hospital; a language or communication problem; a problem with billing or payment of claims or premiums; being denied care or treatment; difficulty in getting a referral to a specialist; not receiving the most appropriate medical care or what you needed; transportation problems; doctors, nurses, administrators, or other staff were insensitive or not helpful; you were forced to change doctors; you were forced to change medications. Have you had any other problem with your health insurance plan in the past 12 months? (For those who reported more than one problem:) Of these, which one was the biggest problem for you?"

[16] Overall, 42% of Californians reported having one or more problems with their health plan in the last year.

Table 5: Prevalence of Problems among Californians Who Are Satisfied with Their Current Health Insurance Plan

	Satisfaction with Health Plan (n=1,201)	**% Who Report Having Had a Problem with Their Health Plan in the Last Year** (n based on column to left)
Very satisfied	33%	24%
Satisfied	43%	40%
Neither satisfied nor dissatisfied	11%	68%
Dissatisfied	7%	82%
Very dissatisfied	3%	88%
Not sure	3%	41%

Table 6: Characteristics of Californians Who Have Had a Problem with Their Health Insurance Plan in the Last Year.

Californians with the following characteristics are **significantly more likely** to have had a problem with their health insurance plan in the last year:	**% Who Report Having Had a Problem with Their Health Plan in the Last Year**[17]
Demographics:	
In good/fair/poor health (not excellent or very good health)	50%
Under age 50	48%
Female	47%
All races, other than White, Non-Hispanic	46%
Health Plan Characteristics:	
Required by the plan to get a referral before seeing a specialist	48%
In an IPA/Network model HMO (compared to a Staff/Group model HMO or PPO)	46%
Required by the plan to select a PCP as gatekeeper	46%
Experiences with Health Plan:	
Dissatisfied with plan's concern for their health	92%
Dissatisfied with process of getting a referral to a specialist	80%
Dissatisfied with preventive care provided by plan	80%
Postponed or did not get needed medical care because of cost	79%
Have been a member of their plan from 2-5 years	50%
Do not have a personal doctor	46%
Choice:	
Dissatisfied with choice of physicians in their plan	82%
Have been offered the choice of only 1 or 2 health plans	48%
Consider having a choice of health plans very important	48%

[17] Overall, 42% of Californians reported having one or more problems with their health plan in the last year.

C. Problems by Type of Managed Care Plan[18]

1. *Comparison of Problems Reported across Health Insurance Plan Model Types.* The types and prevalence of specific problems Californians report having with their health insurance plan in the last year vary significantly by type of managed care plan model (IPA/Network model HMO, Staff/Group model HMO, and PPO). Overall, Californians in IPA/Network model HMOs are significantly more likely to report having had a problem with their plan in the last year than those in either PPOs or Staff/Group model HMOs. In addition, Californians in PPOs are significantly more likely to report having had a problem than those in Staff/Group model HMOs. (Table 7)

- **Care/Services:** Californians in IPA/Network model HMOs are significantly more likely to report difficulties with referrals to specialists, compared to those in Staff/Group model HMOs and PPOs. Californians in IPA/Network model HMOs are also significantly more likely to report a problem with not getting the most appropriate care or what was needed, compared to those in PPOs.
- **Benefits/Coverage:** Californians covered by IPA/Network model HMOs and PPOs, compared to those in Staff/Group model HMOs, are significantly more likely to report problems with services they needed not being covered or misunderstandings over benefits or coverage.
- **Choice:** Californians in IPA/Network model HMOs are significantly more likely to report having difficulty selecting a doctor or hospital, compared to those in Staff/Group Model HMOs and PPOs. Californians in IPA/Network model HMOs are also significantly more likely to be forced to change doctors, compared to those in PPOs.
- **Claims/Payment:** Californians in IPA/Network model HMOs and PPOs are significantly more likely to report a problem with billing or payment of claims or premiums with their health insurance plan in the last year, compared to those in Staff/Group model HMOs.
- **Accessibility:** Californians in IPA/Network and Staff/Group model HMOs are significantly more likely to report a transportation problem with their health insurance plan in the last year, compared to those in PPOs.

[18] Though Californians with traditional, unmanaged indemnity insurance were included in the survey samples, results for that type of health insurance are not reported separately because the numbers are too small to make accurate estimates. In the general insured sample, a weighted total of 160 individuals (13%) were covered by unmanaged indemnity insurance. Of those, 56 (5% of total insured) were covered by traditional Medicare and 39 (3%) by traditional Medi-Cal. Only 65 (5%) were covered by private unmanaged indemnity insurance: 50 (4%) in employer-based unmanaged indemnity and 15 (1%) in individually-purchased unmanaged indemnity. *Therefore, this report presents no findings comparing managed care and unmanaged indemnity care.*

Table 7: Comparison of Problems Reported by Californians in Different Managed Care Plan Types (IPA/Network model HMOs, Staff/Group model HMOs, and PPOs[19]).

	% Reporting the Problem with Their Plan in the Last Year		
	IPA/Network HMO (n=605)	**Staff/Group HMO (n=243)**	**PPO (n=166)**
Any Problem	**47%****	**(34%)**	**41%***
Care/Services:			
Difficulty with referrals to specialists	**14%***	**(7%)**	**(4%)**
Not receiving the most appropriate care or what was needed	**14%***	10%	**(5%)**
Benefits/Coverage:			
Plan not covering important benefits	**16%***	**(6%)**	**16%***
Misunderstandings over benefits or coverage	**11%***	**(5%)**	**15%***
Choice:			
Difficulty selecting a doctor or hospital	**9%***	**(6%)**	**(4%)**
Forced to change doctors	**9%***	7%	**(3%)**
Claims/Payment:			
A problem with billing or payment of claims or premiums	**15%***	**(6%)**	**18%***
Accessibility:			
Transportation problem	**4%***	**4%***	**(<1%)**

[* = statistically significantly higher than ( ); ( ) = statistically significantly lower than both * and **; ** = statistically significantly higher than both * and ( )]

2. *Summary of Problems Associated with Different Types of Managed Care Plans.*The following tables summarize the types of problems that are statistically significantly more or less likely to be reported for each type of managed care plan (IPA/Network model HMO, Staff/Group model HMO, or PPO).

[19] Only those problems for which there were statistically significant differences across managed care plan types are reported. For the overall prevalence of problems, see Table 4.

Table 8: Problems Reported by Californians in PPOs.

Californians in PPOs are...		
Significantly MORE Likely to Report (compared to persons in Staff/Group model HMOs)	**Significantly LESS Likely to Report** (compared to persons in IPA/Network model HMOs)	**Significantly LESS Likely to Report** (compared to persons in Staff/Group model HMOs)
• A problem with billing or payment of claims or premiums • Plan not covering important benefits • Misunderstandings over benefits or coverage	• Not getting the most appropriate care or what was needed • Difficulty with referrals to specialists • Difficulty selecting a doctor or hospital • Forced to change doctors	• Transportation problem

Table 9: Problems Reported by Californians in IPA/Network Model HMOs

Californians in IPA/Network model HMOs are...		
Significantly MORE Likely to Report (compared to persons in Staff/Group model HMOs)	**Significantly MORE Likely to Report** (compared to persons in PPOs)	**Significantly LESS Likely to Report** (compared to persons in Staff/Group model HMOs and PPOs)
• Plan not covering important benefits • A problem with billing or payment of claims or premiums • Difficulty with referrals to specialists • Misunderstandings over benefits or coverage • Difficulty selecting a doctor or hospital	• Difficulty with referrals to specialists • Not getting the most appropriate care or what was needed • Difficulty selecting a doctor or hospital • Forced to change doctors • Transportation problem	None

Table 10: Problems Reported by Californians in Staff/Group Model HMOs

Californians in Staff/Group model HMOs are...		
Significantly MORE Likely to Report (compared to persons in PPOs)	**Significantly LESS Likely to Report** (compared to persons in IPA/Network model HMOs)	**Significantly LESS Likely to Report** (compared to persons in PPOs)
• Transportation problem	• Difficulty with referrals to specialists • Plan not covering important benefits • A problem with billing or payment of claims or premiums • Difficulty selecting a doctor or hospital • Misunderstandings over benefits or coverage	• Plan not covering important benefits • A problem with billing or payment of claims or premiums • Misunderstandings over benefits or coverage

Table 11: Problems Reported Equally across All Managed Care Plan Types (Staff/Group model HMOs, IPA/Network model HMOs, and PPOs).

For the following problems, there are **NO differences in the prevalence of the problems by type of managed care plan**	**% Who Report Having Had this Problem with Their Health Plan in the Last Year (n=1,201)**
Doctors/nurses/administrators/staff insensitive or not helpful	11%
Delays in getting needed care	10%
Language or communication problem	5%
Forced to change medications	4%
Denied treatment or care	3%

3. *Comparison of Primary Problem Reported across Health Insurance Plan Model Types.* Survey respondents who reported having had at least one problem with their health plan in the prior 12 months were asked to identify the single biggest problem they experienced. These primary problems vary significantly by type of managed care plan model. (Table 12)

- **Care/Services:** Californians in Staff/Group model HMOs are significantly more likely to report as their primary problem insensitivity of health professionals and not receiving the most appropriate medical care, compared to those in IPA/Network model HMOs and PPOs. They are also significantly more likely to report as their primary problem delays in getting needed care, compared to those in PPOs. Californians in IPA/Network model HMOs are significantly more likely to report as their primary problem difficulties with referrals to specialists, compared to those in Staff/Group model HMOs and PPOs. They are also significantly more likely to report as their primary problem delays in getting needed care, compared to those in PPOs.
- **Benefits/Coverage:** Californians in PPOs are significantly more likely to report as their primary problem their plan not covering important benefits and misunderstandings over benefits or coverage, compared to those in IPA/Network or Staff/Group model HMOs. Californians in IPA/Network model HMOs are also significantly

more likely than those in Staff/Group model HMOs to report as their primary problem their plan not covering important benefits.

- **Choice:** Californians in both Staff/Group and IPA/Network model HMOs are significantly more likely to report as their primary problem being forced to change doctors, compared to those in PPOs.
- **Claims/Payment:** Californians in PPOs are significantly more likely to report as their primary problem difficulties with billing or payment of claims or premiums, compared to those in IPA/Network or Staff/Group model HMOs. Californians in IPA/Network model HMOs are also significantly more likely to report this as their primary problem, compared to those in Staff/Group model HMOs.
- **Accessibility:** There are no significant differences in primary problems across managed care plan types for this category.

Table 12: Comparison of Primary Problems Reported by Californians in Different Managed Care Plan Types (IPA/Network model HMOs, Staff/Group model HMOs, and PPOs[20]).

	% Reporting the Problem as Their Biggest Problem with Their Plan in the Last Year		
	IPA/Network HMO (n=605)	**Staff/Group HMO (n=243)**	**PPO (n=166)**
Care/Services:			
Difficulty with referrals to specialists	**10%***	**(5%)**	**(3%)**
Doctors/nurses/administrators/staff insensitive or not helpful	**(9%)**	**14%***	**(7%)**
Delays in getting needed care	**9%***	**13%***	**(1%)**
Not receiving the most appropriate care or what was needed	**(6%)**	**11%***	**(3%)**
Benefits/Coverage:			
Plan not covering important benefits	**12%***	**(7%)**	**23%****
Misunderstandings over benefits or coverage	**(6%)**	**(3%)**	**11%***
Choice:			
Forced to change doctors	**8%***	**9%***	**(1%)**
Claims/Payment:			
A problem with billing or payment of claims or premiums	**14%***	**(5%)**	**26%****

[* = statistically significantly higher than ( ); ( ) = statistically significantly lower than both * and **; ** = statistically significantly higher than both * and ( )]

D. Resolution of Problems

1. *Attempts to Resolve Problems.* Of those Californians who reported having a problem with their health insurance plan in the last year, 57% (approximately 3.8 million people) have tried to resolve their problem. Californians are most likely to seek resolution for problems involving difficulties with billing or payment or claims or premiums (81%) and misunderstandings over benefits or coverage (76%). In their attempts to resolve their problems,

[20] Only those primary problems for which there were statistically significant differences across managed care plan types are reported. For the overall prevalence of primary problems, see Table 4.

Californians are most likely to contact their physician, other health care provider, or health plan for information or assistance, or to refer to their health insurance plan documents for information. In addition, 4% of those who reported having had a problem with their health insurance plan in the last year (approximately 269,000 Californians) reported contacting a state or local agency and 3% (approximately 202,000 Californians) reported contacting an elected official about their problem. (Table 13)

Table 13: Types of Actions Californians Take to Resolve their Problems with Their Health Insurance Plan.[21]

	% of Those Who Reported Having Had a Problem with Their Health Plan in the Last Year (more than one answer possible) **(n=1,281)**
Contact your physician or other health care provider for information or assistance	37%
Call the health plan for information or assistance	37%
Refer to health insurance plan documents for information	31%
Contact your own or your spouse's employer, EAP, or Benefits Office for assistance	17%
Ask a friend or family member for help	16%
Write a letter to the health plan	12%
Contact a state or local agency for assistance	4%
Contact an elected official	3%
Contact a lawyer for assistance	3%

2. *Resolution of Problems.* Of those Californians who reported having a problem with their health insurance plan in the last year, 52% reported that their problem had been resolved and 42% reported that their problem had not been resolved. The problems that are significantly more likely to be resolved are problems with being forced to change doctors (71% resolved), problems with billing or payment of claims or premiums (53% resolved), and problems with not getting the most appropriate care or what was needed (53% resolved). The problems that are significantly less likely to be resolved are problems with the health insurance plan denying care or treatment (40% resolved) and not covering important benefits needed (38% resolved).

3. *Satisfaction with the Resolution and Handling of Problems.* Of those Californians whose problems were resolved, 6% stated that the resolution exceeded their expectations and 43% stated that the problem was resolved satisfactorily. An additional 35% were not completely satisfied with the resolution; 13% were not at all satisfied with how it was resolved. (Table 14) Regarding how their health insurance plan handled their complaints, 29% of Californians who reported having had a problem with their health insurance plan in the last year were either dissatisfied (18%) or very dissatisfied (11%). (Table 15)

[21] The question read, "I am going to read some things people can do when they have a problem with their health insurance plan. Please tell me which of the following you did to complain or to try to resolve this difficulty."

Table 14: Californians' Satisfaction with the Resolution of Problems with Their Health Insurance Plan.[22]

	% of Those Reporting that Their Problem with Their Health Plan Was Resolved (n=670)[23]
The resolution of the problem exceeded expectations	6%
The problem was resolved satisfactorily	43%
The problem was acceptably resolved, although not completely satisfied	35%
Not at all satisfied with how the problem was resolved	13%
No opinion	4%

Table 15: Californians' Satisfaction with Their Health Insurance Plan's Handling of Complaints.[24]

	% of Those Who Reported Having Had a Problem with Their Health Plan in the Last Year (n=1,281)
Very satisfied	11%
Satisfied	28%
Neither satisfied nor dissatisfied	22%
Dissatisfied	18%
Very dissatisfied	11%
No opinion	10%

E. Impact of Problems

1. *Financial Impacts.* Of those Californians who reported having a problem with their health insurance plan in the last year, 27% (approximately 1.8 million Californians) had an associated financial loss. Of those whose problem involved financial loss, 33% (approximately 599,000 Californians) lost in excess of $500. (Table 16) The problems that are significantly more likely to involve financial loss are reported in Table 17.

[22] The question read, "Which of the following best describes how satisfied you were with how the problem was resolved?"
[23] Due to rounding error, numbers may not add to 100%
[24] The question read, "Overall, how satisfied are you with how your health insurance plan handled your complaints?"

Table 16: Californians' Financial Loss Associated with Problems with Their Health Insurance Plan.[25]

	% of Those Who Reported Having Had a Problem with Their Health Plan in the Last Year (n=1,281)
Reported a financial loss associated with problem with health plan	27%
Amount of financial loss (for those who reported a financial loss):	
Less than $50	10%
$50 to <$200	25%
$200 to <$500	28%
$500 to <$1,000	13%
$1,000 to <$5,000	15%
>$5,000	5%
Don't know	5%

Table 17: Problems with the Health Insurance Plan that Are More Likely to Involve a Financial Loss.

Problem with Health Plan in Last Year	% Reporting a Financial Loss
Your plan not covering some important benefits you needed	47%
Misunderstandings over health care benefits or coverage	45%
Being denied care or treatment	41%
A problem with billing or payment of claims or premium	37%

2. *Lost Time from Work.* Of those Californians reporting a problem with their health insurance plan in the last year, 20% (approximately 1.3 million Californians) report that they lost time from work due to the problem. Of those, 27% (approximately 350,000 Californians) report that they lost more than five days of work. (Table 18) The problems that are more likely to be associated with lost time from work are problems with being denied care or treatment (38% report lost time from work), delays in getting needed care (35% report lost time from work), and not receiving the most appropriate medical care or what was needed (34% report lost time from work).

[25] The question read, "Did your problem with this involve any financial loss to you or your family? (If "Yes") How much was your financial loss due to this problem?"

Table 18: Time Lost from Work Due to Problems with the Health Insurance Plan.[26]

	% of Those Who Reported Having Had a Problem with Their Health Plan in the Last Year (n=1,281)
Lost any time from work	20%
# of days lost (for those who lost time from work)	
Lost 1 day	32%
Lost 2 days	19%
Lost 3 to 5 days	17%
Lost more than 5 days	27%
No answer	5%

3. *Health Impacts.* Of those Californians who reported a problem with their health insurance plan in the last year, 32% (approximately 2 million Californians) reported that their problem caused them to experience pain and suffering that continued longer than it should have. In addition, 22% (approximately 1.4 million Californians) reported that the difficulty led to the worsening of their health condition and 6% (approximately 400,000 Californians) reported that it led to permanent disability and affected their daily living activities.[27] (Table 19)

Problems that are significantly more likely to lead to increased pain and suffering, other conditions not previously present, the worsening of the person's health condition, and permanent disability include problems with being denied care or treatment, not receiving the most appropriate medical care or what was needed, delays in getting needed care, and difficulties in getting a referral to a specialist. (Tables 20 and 21)

Table 19: Health Impacts of Californians' Problems with Their Health Insurance Plans.

	Of Those Who Reported Having Had a Problem with Their Health Plan in the Last Year, % Answering "Yes" (more than one answer possible) (n=1,281)
"I experienced pain and suffering that continued longer than it should have."	32%
"The difficulty led to other conditions not previously present."	16%
"The difficulty led to the worsening of my health condition."	22%
"The difficulty led to permanent disability and affected my daily living activities."	6%

[26] The question read, "Did the problem cause you to lose time from work? (If "Yes") How many days were lost due to the difficulty?"

[27] The exact question read, "Please tell me whether any of the following did or did not apply to [your problem]: (a) There was the potential for injury, but no injury actually occurred. (b) I experienced pain and suffering that continued longer than it should have. (c) The difficulty led to other conditions not previously present. (d) The difficulty led to the worsening of my health condition. [Asked only of those who answered "yes" to (d)] the difficulty led to permanent disability and affected my daily living activities." Respondents did not have the option to indicate that there was no potential for injury.

Table 20: Problems that Are Significantly More Likely to Lead to:

- **Increased Pain and Suffering or**
- **Other Conditions Not Previously Present**

Problem with Health Plan in Last Year	% of Those with the Problem Who Reported that the Problem Led to Pain and Suffering Continuing Longer than It Should Have	% of Those with the Problem Who Reported that the Problem Led to Other Conditions Not Previously Present
Being denied care or treatment	64%	41%
Not receiving the most appropriate medical care or what you needed	57%	31%
Delays in getting needed care	57%	28%
Difficulty in getting a referral to a specialist	54%	27%
Transportation problem	48%	28%
Difficulty with selecting a doctor or hospital	43%	25%
A language or communication problem	38%	X
Forced to change medications	37%	26%
Forced to change doctors	37%	X
Your plan not covering some important benefits you needed	36%	20%
Doctors, nurses, administrators or other staff were insensitive or not helpful	X	22%

X = This problem is not a statistically significant factor in this category.

Table 21: Problems that Are Significantly More Likely to Lead to:

- **Worsening of Health Condition or**
- **Permanent Disability and Effects on Daily Living Activities**

Problem with Health Plan in Last Year	% of Those with the Problem Who Reported that the Problem Led to Worsening of Health Condition	% of Those with the Problem Who Reported that the Problem Led to Permanent Disability
Being denied care or treatment	50%	15%
Not receiving the most appropriate medical care or what you needed	45%	11%
Delays in getting needed care	40%	11%
Difficulty in getting a referral to a specialist	39%	10%
Transportation problems	39%	15%
Forced to change medications	38%	X
Difficulty with selecting a doctor or hospital	33%	X
Forced to change doctors	30%	X
Doctors, nurses, administrators or other staff were insensitive or not helpful	30%	X

X = This problem is not a statistically significant factor in this category.

F. Choice of Health Insurance Plan

Over 80% of Californians stated that having the choice of more than one plan was important (27%) or very important (54%) to them (Table 22). However, 23% said that they had no choice of plans (Table 23). Californians with the choice of at least three plans (49% of insured, adult Californians) were statistically significantly less likely to report having a problem with their health insurance plan in the last year, compared to those with the choice of only one or two plans (48% versus 41%; the population mean was 42%) (Table 24).

70% of insured, adult Californians favor the idea of giving all employees a choice of health insurance plans, with at least one plan allowing employees to choose any doctor they want (Table 25). Under this proposal as described in the interviews, employers would not be required to make any additional payments, but employees would pay some additional money for insurance that allows them to choose any doctor they want. The median additional amount respondents were willing to pay for this option (of the 68% who specified an amount above zero) was between $11 and $25 per month. Depending on the structure of such a plan (e.g., the size of the deductible and co-pay), this amount may be insufficient to cover the additional cost of the option.

Table 22: Importance of Having the Choice of More than One Health Insurance Plan.[28]

Importance of Choice	General Insured Population (n=1,201)[29]
Very Important	54%
Important	27%
Neither Important or Unimportant	3%
Somewhat Unimportant	4%
Not Important	10%

Table 23: Number of Plans Offered.[30]

Number of Plans Offered	General Insured Population (n=1,201)[31]
1 plan (No choice)	23%
2 plans	18%
3 to 5 plans	37%
More than 5 plans	12%
Not sure	11%

[28] The question read, "How important is it to you to have the choice of more than one health insurance plan?"
[29] Due to rounding error, numbers may not add to 100%
[30] The question read, "How many different health insurance plans did you have to choose from?"
[31] Due to rounding error, numbers may not add to 100%

Table 24: Relationship between Choices Offered and Likelihood of Having a Problem.

Number of Plans Offered	% Who Reported Having Had a Problem with Their Health Plan in the Last Year
1 plan (No choice)	45%
2 plans	50%
1 or 2 plans	**48%****
3 to 5 plans	41%
More than 5 plans	40%
3 or more plans	**(41%)**
Population Mean	42%

(= statistically significantly higher; ( ) = statistically significantly lower)**

Table 25: Support and Willingness to Pay for Choice of Plan that Allows Choice of Any Doctor.[32]

	General Insured Population (n=1,201)
Favor Policy	70%
Willingness to Pay:	
Nothing	23%
Less than $5 per month	5%
$5 - $10 per month	20%
$11 - $25 per month	20%
$26 - $50 per month	13%
$51 - 100 per month	6%
More than $100	4%
Don't know	9%

G. Californians' Views on Key Policy Issues

1. *Direct Access to Specialists.* 44% of insured adult Californians would be willing to pay an additional fee out of their own pocket each time they went to see a specialist, if they could go to the specialist without first having to get approval or a referral from their own personal doctor or health insurance plan. 37% of insured Californians would be willing to pay $10 or more and 15% would be willing to pay more than $20 each time they went to see a specialist without prior authorization. (Table 26)

[32] The question read, "Some employers in California today offer only one health insurance plan to their employees. Some people have proposed that all employees be given a choice of plans, with at least one plan allowing employees to pick any doctor the want. Under this proposal, employers would not be required to make any additional payments, but workers would pay some additional money for insurance to allow them to pick any doctor they wanted. Do you favor or oppose this idea? How much more would you be willing to pay each month out of your own pocket for a health insurance plan that allowed you to pick any doctor you wanted?"

Table 26: Californians' Willingness to Pay for Direct Access to Specialists.[33]

	General Insured Population (n=1,201)
Favor policy	44%
Willingness to Pay:	
Nothing	46%
Less than $10 per visit	12%
$10 to $20 per visit	22%
More than $20 visit	15%
Don't know	5%

2. *Physician Incentives Not to Refer to Specialists.* 53% of insured, adult Californians think that health insurance plans in California should<u>not</u> be allowed to lower their payment to doctors if the plan or the medical group believes the doctor makes too many referrals to specialists.[34]

3. *Who Consumers Trust to Provide Information.* 64% of insured, adult Californians stated that they would trust a private, not-for-profit agency the most to provide consumers with neutral and complete information about specific health insurance plans, hospitals and doctors in California. 13% would trust a state government agency to provide such information. (Table 27)

Table 27: Who Consumers Trust to Provide Information.[35]

Preferred Agency	General Insured Population (n=1,201)[36]
Private, not-for-profit agency	64%
State government agency	13%
Private, for-profit agency	7%
None	7%
Don't know	10%

[33] The question read, "Some people in California think that one of the problems with managed care health insurance plans is that people can not go directly to see specialists they need without first having to get approval or a referral from their own personal doctor or their health insurance plan. Would you be willing to pay an additional fee out of your own pocket each time you went to see a specialist, if you could go to the specialist directly without having to get any approvals or referrals? (If "Yes" or "Not sure") How much more would you be willing to pay each time out of your own pocket to be able to go directly to a specialist without having to get any referrals or approvals?"

[34] The question read, "Do you think health insurance plans in California should be allowed to lower their payments to doctors if the health insurance plan or medical group believes the doctor makes too many referrals to specialists?"

[35] The question read, "Who would you trust the most to provide consumers with neutral and complete information on specific health insurance plans, hospitals, and doctors in California?"

[36] Due to rounding error, numbers may not add to 100%

H. Experiences of Californians Who Have a Chronic Condition and/or Have Been Hospitalized in the Last Year

1. *Satisfaction with Their Health Insurance Plan.* As with the general insured population, the majority of Californians who have a chronic condition and/or have been hospitalized in the last year are satisfied with their current health insurance plan (81%). This group and the population of insured Californians who have both a chronic condition and have been hospitalized in the last year are significantly more likely to report being very satisfied with their plan, compared to the general insured population. These two groups are also significantly less likely to be neutral about their plan. The level of dissatisfaction is approximately equal across all groups. (Table 28)

Table 28: Seriously/Chronically Ill Californians' Satisfaction with Their Health Insurance Plan.[37]

	General Insured (n=1,201)	Total Chronic Condition and/or Hospitalized (n=1,227)	Chronic Condition AND Hospitalized (n=181)	Chronic Condition (not hospitalized) (n=785)	Hospitalized (no chronic condition) (n=110)
Very Satisfied	33%	**40%***	**46%***	38%	36%
Satisfied	44%	41%	38%	42%	43%
Neither Satisfied nor dissatisfied	11%	**(8%)**	**(5%)**	9%	9%
Dissatisfied	7%	7%	8%	7%	7%
Very Dissatisfied	3%	3%	3%	3%	3%
No Opinion	3%	**(1%)**	1%	1%	3%

[* = statistically significantly higher, compared to General Insured population; ( ) = statistically significantly lower, compared to General Insured population]

2. *Problems Seriously/Chronically Ill Californians Report with Their Health Insurance Plan in the Last Year.* Overall, the proportion of adult, insured Californians who have a chronic condition and/or have been hospitalized in the last year who reported having a problem with their health insurance plan in the last year (46%) is not statistically different from the general insured population (42%). However, two subgroups are significantly more likely to report having had a problem with their health insurance plan in the last year, compared to the general insured population: 1) those who have both a chronic condition and have been hospitalized in the last year (53%) and 2) those who have been hospitalized but have no chronic condition (55%). (Table 29)

The seriously/chronically ill population and all of its major subgroups are significantly more likely to report having had problems with being denied care or treatment in the last year. Otherwise, the likelihood of reporting specific problems varies across subgroups. Those who have a chronic condition, regardless of whether or not they have been hospitalized, are significantly more likely to report being forced to change medications and having transportation problems. Those who have both a chronic condition and have been hospitalized in the last year are significantly more likely to report problems with health professionals being insensitive or not helpful. Those who were hospitalized in the last year but have no chronic condition are significantly more likely to report having a problem with billing or payment of claims or premiums. (Table 29)

[37] Due to rounding error, numbers may not add to 100%.

Table 29: Problems Californians with Serious/Chronic Illness Report Having with Their Health Insurance Plan in the Last Year.

	General Insured (n=1,201)	Total Chronic Condition and/or Hospitalized (n=1,227)	Chronic Condition AND Hospitalized (n=181)	Chronic Condition (not hospitalized) (n=785)	Hospitalized (no chronic condition) (n=110)
Any Problem	42%	46%	**53%***	44%	**55%***
Care/Services					
Not receiving the most appropriate medical care or what you needed	11%	11%	17%	10%	15%
Doctors/nurses/ administrators/staff insensitive or not helpful	11%	12%	**20%***	10%	15%
Delays in getting needed care	10%	12%	17%	10%	11%
Difficulty in getting a referral to a specialist	10%	10%	8%	9%	16%
Benefits/Coverage:					
Plan not covering important benefits needed	13%	14%	17%	13%	16%
Misunderstandings over benefits or coverage	10%	10%	11%	10%	16%
Being denied care or treatment	3%	**7%***	**9%***	**6%***	**7%***
Choice:					
Difficulty selecting a doctor or hospital	8%	7%	11%	5%	6%
Forced to change doctors	7%	7%	9%	7%	7%
Forced to change medications	4%	**9%***	**13%***	**9%***	5%
Claims/Payment:					
A problem with billing or payment of claims or premiums	13%	14%	14%	12%	**27%***
Access:					
Language or communication problem	5%	5%	5%	4%	6%
Transportation problems	4%	**8%***	**13%***	**7%***	7%

[* = statistically significantly higher, compared to General Insured population]

3. *Primary Problems Reported by Seriously/Chronically Ill Californians.* As with the general insured population, Californians with a serious/chronic illness who reported having had more than one problem with their health insurance plan in the last year were asked to identify a single biggest problem. There were statistically significant

differences for those insured Californians who have both a chronic condition and have been hospitalized in the last year. Compared to the general insured population, those Californians are significantly more likely to report having transportation problems, insensitive or unhelpful health professionals, not receiving the most appropriate medical care, being forced to change medications, and being denied care or treatment. They were also significantly less likely to report their plan not covering important benefits and difficulties getting a referral to a specialist. (Table 30)

Table 30: Primary Problems Reported by Californians Who Have a Chronic Condition AND Have Been Hospitalized in the Last Year[38]

Primary Problem with Health Plan	Primary Problem for General Insured Population (for those reporting a problem) (n=1,281)	Primary Problem for Chronic Condition AND Hospitalized Population (for those reporting a problem) (n=95)
Care/Services:		
Not receiving the most appropriate medical care or what you needed	**(6%)**	**10%***
Doctors/nurses/administrators/staff insensitive or not helpful	**(10%)**	**14%***
Difficulty in getting a referral to a specialist	**9%***	**(4%)**
Benefits/Coverage:		
Plan not covering important benefits needed	**14%***	**(9%)**
Being denied care or treatment	**(2%)**	**4%***
Choice:		
Forced to change medications	**(5%)**	**9%***
Accessibility:		
Transportation problems	**(8%)**	**16%***

[* = statistically significantly higher; ( ) = statistically significantly lower]

4. *Problems Reported by Seriously/Chronically Ill Californians, by Type of Managed Care Plan.* As with the general insured population, Californians who have a chronic condition and/or have been hospitalized in the last year who are in IPA/Network model HMOs are significantly more likely to report having had a problem with their health insurance plan in the last year (53%) than those in Staff/Group model HMOs (39%). There is no statistically significant difference for those in PPOs. The prevalence of specific problems varies by managed care model type. (Table 31)

- **Care/Services:** Seriously/chronically ill Californians in IPA/Network model HMOs are significantly more likely to report experiencing delays in getting needed care and difficulty with getting a referral to a specialist, compared to those in PPOs.
- **Benefits/Coverage:** Seriously/chronically ill Californians in PPOs are significantly more likely to report a problem with their plan not covering important benefits and misunderstandings over benefits or coverage, compared to those in Staff/Group model HMOs. Those in IPA/Network model HMOs are also significantly more likely than those in Staff/Group model HMOs to report having had misunderstandings over benefits or coverage.

[38] Only those problems for which there were statistically significant differences between populations are reported.

- **Choice:** Seriously/chronically ill Californians in IPA/Network model HMOs are significantly more likely to report having had a problem with being forced to change doctors, compared to those in Staff/Group model HMOs and PPOs.
- **Claims/Payment:** Seriously/chronically ill Californians in PPOs and IPA/Network model HMOs are significantly more likely to report having had a problem with billing or payment of claims or premiums, compared to those in Staff/Group model HMOs.
- **Accessibility:** There are no significant differences in primary problems across managed care plan types for this category.

Table 31: Comparison of Problems Reported by Californians with Serious/Chronic Illness in Different Managed Care Plan Types.[39]

	Staff/Group HMO (n=193)	IPA/Network HMO (n=571)	PPO (n=149)
Any problem	**(39%)**	**53%***	46%
Care/Services			
Delays in getting needed care	12%	**14%***	**(7%)**
Difficulty in getting a referral to a specialist	9%	**12%***	**(3%)**
Benefits/Coverage:			
Plan not covering important benefits needed	**(9%)**	15%	**20%***
Misunderstandings over benefits or coverage	**(5%)**	**12%***	**16%***
Choice:			
Forced to change doctors	**(4%)**	**10%***	**(5%)**
Claims/Payment:			
A problem with billing or payment of claims or premiums	**(5%)**	**17%***	**24%***

[* = statistically significantly higher than ( ); ( ) = statistically significantly lower than *]

[39] Only those problems for which there were statistically significant differences across managed care plan types are reported.

5. *Experiences Related to Hospitalization.* Of those insured Californians who were hospitalized in the past year, 67% reported that they were discharged at about the right time. However, 23% reported that they had been discharged either much sooner (9%) or a little sooner (14%) than they should have been. (Table 32) In addition, 21% of those hospitalized stated that they needed extra help at home, such as nursing care or help with their medications, after they left the hospital. Of the 21% who needed extra help, 27% reported that they did not get the help they needed. (Table 33)

Table 32: Californians' Reports Regarding Hospital Length of Stay.[40]

	% of Those Who Were Hospitalized in the Last Yea (n=434)
Discharged much sooner than should have been	9%
Discharged a little sooner than should have been	14%
Discharged at about the right time	67%
Discharged a little later than should have been	4%
Discharged much later than should have been	2%
Not sure	4%

Table 33: Californians' Need for Home Care after Hospitalization.[41]

	% of Those Who Were Hospitalized in the Last Yea (n=434)
Needed extra help after discharge	21%
Of those who needed extra help:	
Got the needed help	73%
Did not get the needed help	27%
Did not need extra help after discharge	76%
Not sure if needed extra help after discharge	3%

[40] The question read, "In the past 12 months, have you been an (overnight) patient in a hospital for at least one day or longer? (If "Yes") Thinking about your most recent hospital stay, would you say that you were discharged from the hospital much sooner than you should have been, a little sooner than you should have been, at about the right time, a little later than you should have been, or much later than you should have been?"

[41] The question read, "After you left the hospital (on this last stay), did you need any extra help at home, which you could not get from family or friends, such as nursing care or help with your medications? (If "Yes") Did you get the help you needed or not?"